

19TH APRIL, 1917.

PRESENT:—

HIS EXCELLENCY THE GOVERNOR, SIR FRANCIS HENRY MAY, K.C.M.G.

HIS EXCELLENCY MAJOR-GENERAL F. VENTRIS (General Officer Commanding Troops in China).

HON. MR. CLAUD SEVERN, C.M.G., (Colonial Secretary).

HON. MR. J. H. KEMP (Attorney-General).

HON. MR. E. D. C. WOLFE (Colonial Treasurer).

HON. MR. E. R. HALLIFAX (Secretary for Chinese Affairs).

HON. MR. W. CHATHAM, C.M.G. (Director of Public Works).

HON. MR. C. McI. MESSER (Captain Superintendent of Police).

HON. MR. WEI YUK, C.M.G.

HON. MR. H. E. POLLOCK, K.C.

HON. MR. H. E. SHELLIM.

HON. MR. LAU CHU PAK.

HON. MR. P. H. HOLYOAK.

HON. MR. C. E. ANTON.

MR. A. G. M. FLETCHER (Clerk of Councils).

Minutes

The minutes of the last meeting were confirmed.

THE COLONIAL SECRETARY laid on the table report of proceedings of Finance Committee, No. 4, and moved that it be adopted.

THE COLONIAL SECRETARY seconded, and this was agreed to.

Letters Patent

The Letters Patent constituting the offices of Commander-in-Chief and the Governor of Hongkong

were read.

Papers

THE COLONIAL SECRETARY, by command of H.E. the Governor, laid upon the table the report of the Police Magistrates Court for the year, 1916, and also the quarterly return of excesses on sub-heads met by savings under heads of expenditure for the first quarter of 1917.

The Official Majority

HON. MR. P. H. HOLYOAK asked the following questions:—

1.—Will the Government state whether the attention of the Secretary of State for the Colonies is especially drawn on all occasions to motions made by Unofficial members which have been defeated by the use of the Official majority against the unanimous vote of Unofficial members of Council?

2.—Will the Government also state whether on all occasions when a Bill, or any part of a Bill, is passed by the use of the Official majority, against the unanimous vote of the Unofficial members of Council, a special explanation is given to the Secretary of State for the Colonies to justify the use of the Official majority, and are the circumstances of different cases fully set forth in a special despatch?

3.—Will the Government state when the German Bank and other "immovable" German private property will be sold by public auction?

4.—Having regard to the fact that the German Bank property has already been advertised for the prescribed period of three months, will it be considered necessary to advertise it again for any period longer than a few days?

THE COLONIAL SECRETARY replied as follows:—It is the general practice to report specially to the Secretary of State for the Colonies a case in which the unanimous or nearly unanimous vote

of the unofficial members of the Legislative Council has been defeated by the vote of the official members. Such reports contain, where necessary, a statement explanatory of the reason for the official vote. A search through the Hansard reports of a number of years shows that there have been one or two exceptions, as, for instance, at the following pages:— 1907, page 38; 1911, page 117; 1911, page 235; 1912, page 102.

It is intended that the premises of the Deutsche Asiatische Bank, and all other immovable property in the Colony of Hongkong belonging to German firms which are being wound up under the Alien Enemies (Winding-up) Ordinances, 1914 to 1917, shall be sold by public auction within the course of the next 4 months.

It is proposed that all the sales shall be advertised for a period of 3 months, and that the sale of the premises of the Deutsche Asiatische Bank shall also be readvertised for that period. If the latter property were sold at a few days' notice intending purchasers might be greatly inconvenienced and embarrassed, as they may have to obtain instructions from the United Kingdom or elsewhere.

Return of the Germans

HON. MR. P. H. HOLYOAK, in according with notice of motion, moved the following resolution:—

"It is the opinion of this Council that it is in the best interest of the Colony of Hongkong that persons of German nationality should be excluded therefrom for a period of at least 10 years following the declaration of peace; and that, subsequently, they be only admitted into the Colony under strict licence."

In doing so he said—Sir,—I rise to make the following motion standing in my name:—

"It is the opinion of the Council that it is in the best interest of the Colony of Hongkong that persons of German nationality, should be excluded therefrom for a period of at least ten years following the declaration of Peace; and, that, subsequently, they be only admitted into the Colony under strict Licence."

In speaking to the motion, and because I am most anxious to avoid anything in the nature of exaggeration on so important and far-reaching a matter as this, I crave the indulgence of your Excellency and this Council if I make rather free

reference to notes.

At the outset, I would say that we do not presume to dictate to the Home Government on a question which affects all parts of our wide-flung Empire, but, it is only a few days since your Excellency called attention in a meeting of the Legislative Council to the not wholly unworthy efforts of this Colony to help the Motherland in her hour of need in one way or another, and we contend that these and our large annual military contribution entitle us, at any rate, to indicate our wishes to the Home Government, and, with all deference, I believe that such a pronouncement will be welcomed by them for guidance when the whole question comes up for decision.

Australia, Canada and New Zealand have, I believe, already indicated their wishes in no uncertain manner, and Hongkong with its great commercial interests surely cannot be excluded, especially when it is remembered that at the forthcoming Imperial Conference, whilst the Dominions have their own representatives. Hongkong, with other Crown Colonies, will be represented by the Secretary of State for the Colonies.

It is noteworthy that in recent speeches made by prominent world politicians an attempt is made to draw a line of demarcation between the German Government and the German people, and there is only too much cause to fear that directly peace has been declared we shall hear on all sides that it was the Prussians who made the war and that we have no quarrel with the peaceful Teutons.

Sir, the spirit which on the outbreak of war led to the disgraceful attacks in Berlin upon the Russian, French, and, especially, the British Embassies and compelled our Ambassador to slink out of Berlin in the grey dawn, lest his party be attacked ere departure; to the invasion of Belgium, with its attendant cold-blooded atrocities, as "a Military necessary" in defiance of sacred treaties; and, later, to the murder of women and children on land and sea whilst German officers and men looked on and jeered; and, later still, to the starvation and torture of wounded and helpless prisoners-of-war—this spirit is not the product of the w a r , b u t i s t h e

Prussian spirit which permeates the whole German nation—man, woman and child—and which will take years to eradicate, and we say that the people who can rejoice over nameless crimes, such as these, who revel in the pernicious doctrine that "might is right" and that necessity justifies any crime, however damnable in the eyes of the world it may be, and who can celebrate such an atrocious act as the sinking of the *Lusitania* by declaring a public school holiday, to say nothing of the deliberate murder of Edith Cavell and Captain Fryatt and countless other horrors, are not fit to be received hereafter into the brotherhood of Nations until they have expiated their crimes against God and civilization and truly reformed their ways.

Speaking for the Mercantile Community of Hongkong, which has by far the largest stake in the Colony, I say that we have no desire to be—indeed, that we will not be, if it can be avoided—associated in this Colony, either socially or commercially, with men and women who thus far have failed to realize what honour, justice and mercy mean, who acknowledge neither International obligations nor treaty unless they stand to gain by doing so, and in whose nature there is no chord which vibrates to the claims of either.

A close study of the causes which led up to this terrible war and of Germany's deliberate acts thus far will convince anyone who is not blind to the truth that they are the inevitable result of the pernicious teaching of her professors and philosophers during the last two decades, and of the military and naval ambitions which were fostered by her rulers till the present Armageddon was the climax.

Beyond all this, and as an argument which more particularly affects the welfare of Hongkong, I have no hesitation in saying that the results of the German liquidations have abundantly proved that we are better without the Germans in trade, and that the vast business they created to our disadvantage was the result of a most pernicious credit system which did infinite harm to the Colony and which, when the Germans were interned, left an aftermath of evil in the shape of huge accumulations of stocks, which the market could not possibly digest and which took months of weary efforts to disperse, whilst British trade languished in proportion and is still doing so.

With the internment of our enemies, the trade of the port, by common consent, and thanks to the energy of the Chamber of Commerce, was once more placed upon a cash basis. I will not weary you with concrete examples, but I say, unhesitatingly and without fear of contradiction, that the trade of the Colony is to-day in a healthier state than for years past, and in the name of British trade interests I plead with you that Germans shall not be allowed to return to the Colony for at least ten years to recommence their "Prussian tactics" in trade which did the Colony so much injury in the past.

Further, I cannot help feeling that we have delayed too long in giving China a lead in this connection, and that a bold declaration of our views may strengthen her own and inspire her to join the Allies wholeheartedly in declaring war upon the enemies of progress and induce her to intern or banish those within her boundaries; the more so when she recalls the fact that this same Prussian spirit unblushingly reveals itself in the Kaiser's instructions to his troops during the Boxer Rebellion "to show no quarter and to teach the Chinese the might of Germany's military fist and never to look askance at a German," and which is commemorated by the "Ketteler memorial" in Peking.

In conclusion, and lest it be urged that we have overlooked possible German competition from new centres to the detriment of Hongkong, let it be said that, while we recognize such competition may arise, we are convinced it can be successfully met and are prepared to face it, especially when it is remembered that German firms are unlikely for years to come to receive the great assistance they did from British banks and discount houses in London in pre-war days and, I hope, will never do again.

Finally, I would remind you that the views I have endeavoured, however incompetently, to set forth are unitedly shared and endorsed by the Committee of the Chamber of Commerce, which, at a recent meeting specially convened to consider the whole matter,

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adopted the identical motion on which I am now addressing you. The composition of this Committee is so well known to your Excellency and this Council that I am certain its carefully considered opinion will not fail to carry the weight it deserves with the Secretary of State for the Colonies.

HON. MR. C. E. ANTON—Sir, I beg to second the motion. The proposer of the motion has gone so very largely over the ground that I think it is not necessary for me to go into details, which would only cause repetition. But I am in accord, fully in accord, with the motion's contention; the desirability of excluding Germans for a period of years from this Colony. It has been said, and rightly said, that we are not warring against the German people, and at the beginning of the war there was an element of truth in that, Sir. But I think it can be said that from the beginning the entire German nation has been warring against us and our Allies. And if they had been successful in their worldwide designs I am sure—that if they had accomplished their ends—the rest of the world would have had very little consideration and sympathy from our enemies. Now it is reported that some sections of the people in Germany are blaming their rulers for the position they have got themselves into. But, after all, Sir, I think that the people are responsible for their Governors, and I think, that being so, we must hold the people of Germany responsible for all their atrocities and the violation of all laws, human and divine, which have been carried out. We cannot really, I think, exclude them from responsibility. As regards the commercial side, we have heard it argued that the Germans should be excluded from the Colony, and there is something to be said for that, though I think it will not carry very such weight. We must look, I think, to the sentimental side of the position which, to a large extent, governs such things throughout the world. And we must act. I think, on principles of humanity, righteousness and justice. Another point I ought to make, and that is in connection with the men who have gone home to fight, many of them, alas! who have made the last sacrifice. We hope that a large number of them will return, and what do we think these men would think, these men when they come back, if they find the Germans established here in the

same old way? The thought to me would be intolerable, as I think it would be to them.

HON. MR. H. E. POLLOCK—Sir, I submit that this resolution ought to be accepted by the Government, supported, as it is, by the expert opinion of the business-men composing the Committee of the Hongkong Chamber of Commerce. On such a matter as this the opinion of such a body is entitled to the greatest possible weight. It is sought by this motion to pass on that opinion to the Secretary of State for the Colonies. Surely that is a very proper course for this Council to adopt. I would even go so far as to say that it is the positive duty of this Council to pass on this opinion of business-men to the Secretary of State, seeing that that official is the representative of the Crown Colonies upon the Imperial Committee which is sitting to consider post-war trade problems. Surely this Colony, through its Council, must have the right to instruct its own representative. Surely, we are not going to be told that either the Constitution of this Colony or instructions from the Secretary of State forbid the passing of such a resolution as this. Then what other argument can be advanced for not acceding to this motion? Are we to be told that this motion cannot be accepted on the plea that it will embarrass the Home Government? Such a plea would, I submit, be absolutely unsound, for the reason that this resolution involves no conflict whatever between this Council and the Home Authorities. We are simply asking for leave to lay the views of this Colony, this important outpost of Empire in the Far East, before the Home Authorities. Are we to be refused such leave? Sir, I have considered this resolution, and the possible grounds of Government objection to it, from every point of view, and I have been finally forced to one conclusion, namely, that, if the Government refuses to vote for this motion, it can do so logically and constitutionally on one single ground only, namely, on the ground that it does not agree with this resolution. Now, as I have already urged, the opinion of the Committee of the Chamber of Commerce ought to be conclusive with the
G o v e r n m e n t u p o n

the mercantile aspect of this question. Therefore, as a mere matter of cold business, there can be no doubt that this motion ought to be accepted by the Government. But, Sir, this resolution has something more behind it than mere dollars and cents. We are fighting the cause of civilization against barbarism. At a recent meeting at the Aldwych Club, Sir Edward Carson, the First Lord of the Admiralty, said:—"We have to deal with an enemy who has set at naught all the humanities which, as the result of centuries, have been embodied in our International Law." That is the opinion of a very eminent lawyer, and, when we consider the nature of some of those breaches of law, such as the indiscriminate submarining of passenger and hospital ships, and the wholesale sowing of the seas with floating mines, and when we also consider the brutal treatment meted out to our prisoners-of-war, by German women as well as by German men, we must surely refuse a welcome back to our shores to people of German nationality—people who are not only brutal to the living but even desecrate the remains of the dead. Sir, my honourable friend has pointed out that the Dominions are at one with us in their sentiments upon this subject, and I would add that Great Britain is equally at one with us, for, at a recent meeting in London, Sir Algernon Firth, the President of the Association of Chambers of Commerce of the United Kingdom, said:—"Of this I am certain, that the people of this country will never again stand German intrigue and German spying and German monopoly and dishonest trading, such as have been tolerated for the last 20 or 30 years in this country. Let the Government back us up, and we will show that British producers are the best in the world." Sir, that is what we are asking for now. We are asking the Government to "back us up."

HON. MR. LAU CHU PAK — Sir, while sympathising with the object of the resolution, I am afraid I cannot support it *in toto* for reasons I am going to give. At the outset I would like to say that if I were to consult my own inclinations and wishes I would ask for the Germans to be excluded not only for ten years but for ever and a day, for I have large interests in companies recently and expressly formed to secure a big share of the business formerly in the

hands of the Germans. But this resolution, Sir, is based on higher motives and on public grounds, and it is precisely on the same grounds that I have reluctance in taking up the position I am taking. After listening to what my hon. colleagues opposite have said I am still not certain that if the suggested measure were enforced it would be in the best interests of the Colony. It may be so and it may not be, for no-one can tell for certain what will happen in the next ten years or so. At any rate, we have to bear in mind the surrounding countries. Unless these countries fall into line with us the advantage aimed at by the resolution would be nullified. However successful we might be in keeping the Germans out of this Colony it would be nothing without the co-operation of these surrounding countries to prevent the Germans from setting up competition close to our doors under no control whatever. Again, Sir, it should be borne in mind that if the measure were to be adopted in Hongkong it would have to be applied to every part of the Empire. In my opinion it is an Imperial question and one that might well be left in the hands of the Imperial Government, which, strengthened by representatives from the Dominions and from India, can safely be trusted to arrive at a conclusion in the highest interests of the Empire. It is, therefore, Sir, with due deference and a proper sense of responsibility that I would suggest that the resolution be allowed to stand over. In conclusion, Sir, I might say that I am in sympathy with that part of the resolution which suggests the placing of Germans under strict licence.

HON. MR. WEI YUK—I beg to support all that has been said by my colleague. I shall vote against the resolution.

THE ATTORNEY-GENERAL—I do not propose, Sir, to address myself to the motion generally, but I would like to say a few words on two points. The hon. member who proposed the resolution supported it on two grounds. The first ground was one of sentiment. In sentiment I think we are all at one with him, and our inclinations point in the same direction as his. The only matter in which we might differ perhaps is as to how and when and where this sentiment should be

expressed. Sentiment is a very poor guide amongst the cold hard facts of economics. Lord Cromer, who was perhaps one of the ablest statesmen and administrators of the British Empire in recent years, had occasion to consider this question of trade after the war just before his death, and his judgment, given just before his death (it was perhaps the last judgment he gave before his death), was that an economic war with Germany after this war based on revenge would be a pernicious and fallacious policy. Now, Sir, an opinion like that from such an able statesmen as Lord Cromer ought to make us pause before embarking on a policy which is based merely on sentiment. But what I want chiefly to refer to is the other ground put forward by the hon. member, and that is, the economic argument, that Germans should be excluded from the Colony for ten years after the war, because they introduced here unsound commercial methods. One must accept, of course, the opinion of the Chamber of Commerce that a cash basis for the trade of this Colony is the most advantageous for the British merchants here. No doubt they are the best judges of that themselves. But one cannot help remembering that credit is an incident of commerce all over the world, and that trade lives by credit, and I do not see how when, after the war, the Germans return to neighbouring ports, as I suppose they will, we are to prevent able and energetic merchants just outside our border from again introducing into this Colony by means of agents or intermediaries a credit system such as exists in hundreds of other trading centres throughout the world. Of course, without combination between all the importers such a system as the cash system could not be maintained. In other words Sir, I think that the policy proposed will not be efficacious in effecting the end for which it is proposed. That is the answer to the economic argument. As I said before, if we are asked to embark on this policy merely because we want to act in accordance with our natural and just sentiments, then I say that we are asked to enter an unknown country with a blind leader as guide.

H.E. THE GENERAL OFFICER COMMANDING—I have listened very attentively to what has been said by the proposer of this motion and other speakers, and although I sympathise with their sentiments, yet I fully agree with what has fallen from the Attorney-General. I think that the great

Imperial question cannot be overlooked. The aim and object of every war is a lasting peace, and this motion is quite contrary to that idea of a lasting peace, and therefore I am freely following my own convictions in voting against it.

HIS EXCELLENCY—Gentlemen, as the Attorney-General has pointed out, the supporters of this resolution support it on two grounds. One of them may be summed up in the one word "retaliation." The other is on economic grounds. Now in my humble opinion it is far too early to talk about retaliation. Of one thing I myself am firmly convinced, and that is, that the English people, who are distinguished above all things for their love of justice, will never sheathe the sword, nor will their Allies sheathe the sword, until the crimes which have been committed by the German army in this war are thoroughly expiated. I feel confident that the persons who ordered these crimes will be brought to punishment. I am quite sure that the blood of the massacred passengers of the *Lusitania*, and, worse than that, the blood of Miss Cavell, and—even worse than that, the most foul case of all—the blood of the murdered Captain Fryatt, will not call for justice in vain. We may well leave that to these who will have the terms of peace under their consideration. On the other question, the question of economics, I confess I expected to hear a far graver indictment against the German merchants and their methods than the indictment that has been put forward. It is mainly that they followed a credit system. Well, the Attorney-General has answered that as far as it is necessary to answer it. I would only remark, in answer to the contention of the hon. member who represents the Justices of the Peace that the official side of this Council ought to accept the opinion of the Chamber of Commerce on that subject, that the support given to that part of the argument by the representative of Messrs. Jardine, Matheson & Co. was exceedingly weak. He said that it did not carry much weight, and he based his argument principally upon the vindication of humanity and justice. And what of our large Chinese commercial community? They happen to own four-fifths of the wealth of this Colony, and to pay 97 per cent. of the rates and taxes. Why, we have them both opposed to the resolution.

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the argument finds support in one Commercial member only. I admit he is a redoubtable member. He represents the Chamber of Commerce.

HON. MR. HOLYOAK—Do I understand you to say, Sir, that I am not a commercial man?

HIS EXCELLENCY—I certainly did not say that. I said you carried undoubted weight as representing the Chamber of Commerce.

HIS EXCELLENCY then proceeded—pursuing the argument as to economies for one moment. I have been connected with the Government for 36 years, and I have been connected with Council for 30 years. If, like Father Aeneas, I could find Charon to ferry me across the river Styx, and visit the shades of the dead, and be able to have speech with some of the really big men of the past whom Hongkong has produced—William Keswick and Thomas Jackson — and communicate this resolution to them, excluding as it does the entry into this port of German ships, well, in the words of a popular song which was sung recently by a very fascinating young lady, supported by a very proper figure of a young man, "they would never believe me." Or, if I could take the wings of an eagle and soar over to England and whisper in the ears of Thomas Henderson Whitehead, Edward Osborne, Murray Stewart, C. H. Ross, or C. W. Dickson, some of those hardheaded and sound men of former days, and tell them that it was proposed lightly to exclude German tonnage from this harbour, well, again I am sure, they "would never believe me." Gentlemen, if the policy of the Chamber of Commerce for the last 36 years—I will not go further back—has been right, then the Chamber of Commerce to-day is wrong. Their watchword during those years has been "shipping is the life-blood of the Colony." I believe in that. And I believe, further, in another watchword which they preached—that the prosperity of this Colony depends upon the Colony remaining, as far as possible, a free port. I remember when there was an invasion of foreign banks into this Colony—the Russian bank, a Japanese bank and a German bank, and a Dutch bank—and someone said to Sir Thomas Jackson:—"There are a lot of these banks coming

here, won't it interfere with your business?" His answer was:—"Business makes banks, and the more banks in Hongkong the more the Hongkong bank will make." And his words have been justified by the event. Gentlemen, in this debate there have been some very wise words spoken by the Hon. Mr. Lau Chu Pak, one of the Chinese members. He has once more shown that in this crisis the Chinese community, who have rendered splendid service to this Government by offering personal services, and by giving us much money, have kept their heads. They have not lost them. He says, and he says truly, that the resolution should not be passed until you find out what the countries which surround us are going to do. These happen to be Russia, Japan, China herself, Indo-China, the Philippines, and I may even include Australia. It would be a nice thing—would it not?—to find Hongkong isolated among the surrounding and competing ports of these countries. It would advantage her nothing, absolutely nothing. It has been said that the Dominions have expressed opinions in unison with this resolution. I do not quite know what is meant thereby, because I read my papers and Parliamentary papers very carefully, and I have not yet seen any suggestion from anywhere that Germans should actually be excluded from the King's Dominions after the war. The hon. member who represents the Justices of the Peace made a strong point that the Government should not reject this resolution on the ground that it was an Imperial concern and did not concern us. He also expressed the strong opinion that we ought to accept the resolution because it was endorsed by the Hongkong General Chamber of Commerce.

There are two Chambers of Commerce in the Colony. I have dealt with the latter part of the question already. With regard to the first part I would say that we have no intention of escaping the responsibility of not accepting this resolution because it deals with an Imperial matter. We are convinced —all the officials at this table—that the proposal contained in the resolution is not in the interests of the Colony. The Chinese community are not in favour of the resolution, if we are to believe their representatives, and I have

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can believe them. Therefore, our decision is that we cannot accept the resolution on its merits. In conclusion, I wish to say that I think the whole question has been summed up in a very terse and very statesmanlike manner by my gallant and hon. friend who sits on my right (the General Officer Commanding).

HON. MR. HOLYOAK—Sir, before replying to the arguments I would like to ask the Hon. Mr. Lau Chu Pak if he has consulted the Chinese Chamber of Commerce in this matter.

HON. MR. LAU CHU PAK—There has not been opportunity of consulting the Chinese Chamber of Commerce on the matter. I have consulted many of my friends outside and have expressed their opinions.

HON. MR. HOLYOAK—In dealing briefly with the debate which has just taken place, I would like in the first place to resent in the strongest possible manner the studied insult to the Committee of the Chamber of Commerce. We now know exactly where we are. There is no longer any really big man in Hongkong. That covers a variety of firms whose interests cover millions and millions of dollars. And I am astounded that the Governor of the Colony should give utterance to such words. That being so, and that being the attitude which is being adopted towards the Chamber of Commerce, I will proceed to deal with the more or less weak arguments of the Government side. With reference to the past, the giants of commerce, whose shades have passed beyond the grave. They never had to deal with such problems as face us to-day in the world-wide war, a war which has been waged under conditions the like of which they never saw or dreamed could be possible. And I think, in the light of these studied, and I say so advisedly, these studied atrocities which have been perpetrated by the Germans in this war, and of which we have not yet reached the end, we are entitled to say that these are conditions which are new to the world and which must be faced anew. And I cannot believe that any man gathered around this table can face calmly the possibility of sitting, within two years from now, next to a German in any public building or in connection with any joint interests in this Colony. It has been said that what is advocated is a policy of retaliation. I do not call it retaliation, I call it just retribution, and there

is a wide and vast difference between the two words. It has been said that there will be no advantage if this resolution is carried out, and that no lasting peace will be assured. I cannot conceive a condition of peace within this Colony if any Germans are admitted within its domains within the next two years. Personally I should be the first to break the peace. Reference has been made to the punishment of the leaders who organised this war, and who have prepared for it for years, but no attempt has been made to rebut the argument made that this war is being waged by the German people, and the characteristics which have been displayed in the perpetration of the atrocities of this war are to be found in the national character of the people, man, woman and child, as I said before, and will not be eradicated for a term of years. Therefore we say that they are unclean and that we will not be associated with them if we can possibly avoid it. Accordingly I have avoided anything in moving the resolution which could be called exaggeration. One could speak with greater stress, and far greater freedom if one could leave oneself free to imagination, and draw a picture of the conditions which the aftermath of this war will inevitably produce. But the whole burden of my resolution has been lost sight of in every argument advanced against it. I do not ask this Council to endorse a resolution pledging this Colony to legislation that for ten years after the war Germans shall be excluded from coming within our shores. What I ask for and plead for is that we shall pass this resolution and send it home to the Home Government as an expression of the Colony's opinion; an expression of opinion coming from the commercial men of this Colony. The remarks which have fallen from H.E. the Governor are a deliberate flouting of the studied opinion of commercial men of the Colony, who have carefully considered the question and come to a decision, and to tell them they are mere pigmy champions compared with the past is an insult to the Chamber of Commerce—explain it how you can. With regard to the remarks which have fallen from my hon. Chinese colleague, I would point out that this resolution has been on paper for a fortnight, which gave ample time for him to consult with the Chinese Chamber of Commerce if

he had desired to do so. Apparently he did not. I have also consulted many Chinese in connection with this matter, and many Chinese merchants have told me frankly that they did not desire the German trade to return to the Colony; they very much deprecated such trade and the system which had been adopted in the past. I was astounded to hear the words fall from the lips of the Attorney-General that there were some virtues in the credit system. There is a virtue in the credit system, provided it is under control, but, speaking from experience, and from a deep knowledge of the subject, I say that the credit system practised by the Germans, which was not controlled, was positively immoral. The British banks who helped them to use that credit realise it to-day. I know perfectly well that there is a section of the Chinese community which lived and had its being, so to speak, from the credit system which the Germans adopted in this Colony, and who have excluded for that reason the wider question embodied in my resolution. They remember that it was their living in the past. But there are wider questions than that for the Colony to deal with and therefore contained in my resolution. That resolution has been carefully considered by the Chamber of Commerce, and we are of the opinion that what it involves is in the best interests of the Colony, so I leave it with you.

His EXCELLENCY—I have one more remark to

make, and that is that I do not think any unprejudiced person would consider that the words I used in reference to the deceased William Keswick and the deceased Sir Thomas Jackson [Mr. HOLYOAK—And others] could, by any stretch of the imagination, be construed into an insult to the Hongkong General Chamber of Commerce or its Committee. I will now put the motion.

The resolution was then put to the meeting, and the Governor declared that the "Noes" had it.

HON. MR. HOLYOAK asked for a division, and this resulted as follows:—

For the resolution:—Hon. Mr. Holyoak, Hon. Mr. Pollock, Hon. Mr. Anton and Hon. Mr. Shellim.

Against the resolution:—Hon. Mr. Lau Chu Pak, Hon. Mr. Wei Yuk and all the official members.

The resolution was then declared lost by nine votes to four.

This was all the business.

Council was adjourned *sine die*.